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Supreme Court of the United States

October Term, 1970

No. 1145

QUEST, INC. and
PAUL E. MAGERS,

Petitioners,

vs.

MERCANTILE NATIONAL BANK OF CHICAGO,
HAROLD I. SNYDER,
SNYDER MANUFACTURING COMPANY, INC., and
ZIMMER MANUFACTURING COMPANY,

Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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December 17, 1970

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SNYDER MANUFACTURING COMPANY, INC., and
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Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners, Quest, Inc. and Paul E. Magers, pray that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit, entered in this proceeding on August 13, 1970.

OPINIONS BELOW

The Memorandum and the Findings of Fact and Conclusions of Law of the United States District Court for the Northern District of Indiana, South Bend Division, are reported at 303 F.Supp. 926 and 161 U.S.P.Q. 762, respectively, and printed in the Appendix hereto, pp. A-1 to A-20. The opinion of the Court of Appeals is reported at 431 F.2d 361 and printed in the Appendix hereto, pp. A-29 to A-40.

JURISDICTION

The judgment of the Court of Appeals was entered August 13, 1970. On November 2, 1970, Mr. Justice Marshall granted until December 21, 1970 within which to petition for certiorari. Jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED FOR REVIEW

1. Does an applicant for a United States patent have an uncompromising duty to disclose known prior art to the Patent Office so that the Patent Examiner may meaningfully evaluate whether the applicant is entitled to a patent in accordance with the standard of patentable invention enunciated in *Graham*?[1]

2. Does the defendant of a patent infringement action have a remedy under the antitrust laws for the damages sustained as a result of defending against a patent which is invalid and unenforceable because the patentee withheld known prior art from the Patent Office?

CONSTITUTIONAL PROVISION AND STATUTES INVOLVED

The constitutional provision involved is Article I, Section 8, Clause 8.

The statutes involved are Section 103 of the patent laws, 35 U.S.C. § 103, Section 2 of the Sherman Act, 15 U.S.C. § 2, and Section 4 of the Clayton Act, 15 U.S.C. § 15.

These provisions are set forth in the Appendix hereto, pp. A-41-42.

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[1] Graham v. John Deere Co., 383 U.S. 1 (1966).

STATEMENT OF THE CASE

Petitioners ask this Court to establish throughout the country that which has been recognized at the district court and court of appeals levels in some sections of our country —that an applicant for a United States patent has an uncompromising duty to disclose to the Patent Office known pertinent prior art so that the Patent Office may meaningfully evaluate the "scope and content of the prior art," the first basic factual inquiry made to ascertain patentable merit. *Graham* v. *John Deere Co.*, 383 U.S. 1, 17 (1966).

Petitioners also seek to establish a remedy under the antitrust laws for damages sustained as a result of defending against a patent which is invalid and unenforceable because the patentee withheld known pertinent prior art from the Patent Office.

A. Brief Summary Of Proceedings

Respondents[2] sued the petitioners, Quest, Inc. and Paul E. Magers, its President, for alleged infringement of United States Letters Patent No. 3,115,138 and for alleged acts of unfair competition. Petitioners asserted that the patent was unenforceable and invalid because the patentee withheld known relevant prior art from the Patent Office and counterclaimed under the antitrust laws for treble the damage sustained in defending the patent infringement action.

The unfair competition action was dismissed upon petitioners' motion for summary judgment. Respondents did

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[2] Mercantile National Bank of Chicago is a trustee of Robert T. McElvenny, deceased, one of the patentees, and is a co-owner of the patent. Harold I. Snyder is another patentee and co-owner of the patent. Snyder Manufacturing Co., Inc. is the exclusive licensee and Zimmer Manufacturing Co. has the exclusive sales rights under the patent.

not appeal. After the trial of the remaining issues, the patent was found to be valid and infringed and petitioners' antitrust counterclaim was dismissed. The district court's decision was affirmed by the Court of Appeals for the Seventh Circuit.

B. The Patent In Suit

It is important to the healing of surgical wounds to remove liquids which develop post-operatively in the wound. One such technique is closed wound suction, the subject of the patent in suit, which issued on December 24, 1963 on an application filed July 14, 1960. In closed wound suction the removal of liquids is effected from behind an entirely closed incision. One end of a tube is placed in the body while the wound is open. The other end extends through adjacent, healthy skin so that the tube is accessible on the outside of the patient. The tube is attached to a source of suction (low pressure) before, during or shortly after the wound has been completely closed.

The patent in suit discloses a closed wound suction apparatus including the combination of a particular suction device, which also serves as the receptacle for the drained liquids, and tubing with a perforated end for withdrawing the liquids from the wound and an end with a severable needle for attachment to the suction device. The needle is used to draw that end of the tubing through the healthy skin adjacent the incision.

Patentees extolled their invention to the Patent Office thusly:[3]

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[3] Petitioners will refer to respondents' trial exhibits as "PX", petitioners' trial exhibits as "DX" and the Joint Appendix for the Court of Appeals as "J.A.".

> It is submitted that the combination of Claim 3 presents *a completely new combination* which is not in any way suggested or described in the art cited and *such combination has provided an entirely new concept in surgical procedure.* (PX 21, p. 28) (Emphasis added.)
>
> [T]he invention produces *a new concept in connection with surgery,* which will ultimately result in a new technique. (PX 21, p. 29) (Emphasis added.)
>
> It is believed apparent that neither of these disclosures [referring to prior art disclosed to the Patent Office by patentees] involve *the basic concepts of the present invention, wherein a single self-contained unit is employed to derive the desired suction action, such unit serving both as the motivating structure as well as the receptacle for the storage of withdrawn body fluids, thereby enabling ambulatory usage.* (PX 21, p. 77) (Emphasis added.)

The claims in suit granted by the Examiner are either directed to the *combination* of the specific suction device and the tubing (Claims 3 through 9, 12, 13) or the *combination* of the specific suction device, the tubing and the needle (Claims 10, 11).

C. The Prior Art Considered By The Patent Office

During the more than three years this patent application was pending in the Patent Office, *the Examiner did not find or cite any prior art relating to closed wound suction.* He found and relied upon such prior art as an embalming needle, an insect powder sprayer, a sanitary suction cuspidor and a stomach tube.[4]

During the last four months of the pendency of the application, *ostensibly recognizing their duty to disclose perti-*

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[4] United States Letters Patent Nos. 648,858, 2,432,288, 2,965,907 and 1,736,182, respectively.

most prior art, the patentees disclosed two references to the Examiner. One reference disclosed apparatus for use after abdominal surgery to remove gaseous fluids from the gastro-intestinal tract. (DX 30-H) The other disclosed a portable first-aid pumping device. (DX 30-S) These references *did not disclose* closed wound suction apparatus, *did not disclose* a suction device which also serves as a receptacle for the drained liquid, and *did not disclose* tubing with a severable needle for attachment to a suction device. But the patentees told the Patent Office that they did not know of any "more pertinent" art. (PX 21, p. 87-8)

D. The Prior Art Withheld By The Patentees

While the patent application was pending and *prior* to disclosing these two references to the Patent Office, respondent-patentee Snyder produced an "advertising piece" (PX 23) which contained abstracts of published articles which told the "story of closed-wound suction." (J.A. 172, 605) A source of this compilation of articles was patentee-McElvenny. (J.A. 172) Although many other pieces of advertising literature and the two previously identified references were submitted to the Patent Office, this advertising piece and the abstracted articles were not.

Two of the abstracted published articles, Redon (PX 55-L) and Maloney (PX 55-O), disclose closed wound suction apparatus comprising the combination of a portable suction device, which also serves as the receptacle for the withdrawn liquids, and tubing with a perforated end for withdrawing fluids from behind the closed wound and an end for attachment to the suction device. In addition, the Redon article discloses the identical tubing with a severable needle disclosed in the patent in suit and the Maloney article discloses that the portable suction device may be a hand activated rubber bulb syringe (such as used for an enema).

Thus the prior art known to the patentees during the pendency of the patent and withheld from the Patent Office disclose *for ambulatory usage of closed wound suction* the very combination of elements which the patentees were extolling as "a new concept in connection with surgery" and "a completely new combination . . . and such combination has provided an entirely new concept in surgical procedure." These assertions were not true and the patentees knew it.

E. The Effect Of Withholding The Known Prior Art

It is debatable whether the withheld prior art is anticipatory of the claimed combination under 35 U.S.C. § 102. Petitioners believe it is. However, it is certainly relevant to the first basic factual inquiry *Graham* has directed the Examiner to make when adjudicating patentability under § 103—what is the "scope and content of the prior art." In this instance the Examiner did not find any prior art in the closed wound suction field. The prior art the patentees disclosed to the Examiner was not in the field. Contrary to their assertion that they did not know of "more pertinent" prior art, they withheld *all* the prior art they knew of in this field. This rendered it impossible for the Examiner to meaningfully evaluate the state of the art at the time this alleged invention was made to determine whether the differences, *if any*, were non-obvious to one with ordinary skill in the art.

Nurtured through the Patent Office in this fashion, the patent in suit issued. The respondents now enjoy about 95% of the market (J.A. 432) and seek through this patent to block all competition.[5]

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[5] The respondents have sued one of the two other competitors for patent infringement and that case is pending before the same district court in which this case was tried. Mercantile National Bank of Chicago v. Howmet Corp., Civil Action No. 69-S-194 (N.D. Ind.).

REASONS FOR GRANTING THE WRIT

I. This Court Should Resolve The Patentee's Duty To Disclose Known Prior Art To The Patent Office, Because There Is Presently A Wide Divergence Of Views Among The Circuits. Consistent With *Precision Instrument* This Court Should Clarify The Nature Of The Uncompromising Duty Of Disclosure Imposed Upon Patentees In Order That The Patent Office May Meaningfully Evaluate Patentability In Accordance With The Standard Enunciated In *Graham*.

A. There Is A Wide Divergence Of Views Among The Circuits.

Patentability is dependent upon three explicit conditions —novelty, utility and non-obviousness. 35 U.S.C. §§ 101, 102, 103. *Graham* v. *John Deere Co.*, 383 U.S. 1, 12 (1966). Section 102 requires for patentability that the subject matter be novel—that is, it cannot be completely anticipated by, for example, a prior publication or patent. However, even if the subject matter is not exactly anticipated under § 102, its difference over the prior art must not be obvious. This Court explained in *Graham* that several basic factual inquiries form a background against which the obviousness or non-obviousness of the subject matter is determined under § 103:

(1) "the scope and content of the prior art";

(2) the "differences between the prior art and the claims at issue"; and

(3) "the level of ordinary skill in the pertinent art". (383 U.S. at 17.)

Under the law as it now exists a patentee's duty to disclose to the Patent Office known prior art relevant to the

novelty or obviousness of the subject matter depends upon the circuit in which the patent is asserted. The First, Seventh and Tenth Circuits require little of the applicant. These courts merely require disclosure of prior art that completely anticipates the subject matter of the invention, *i.e.*, negates novelty under § 102. *United States* v. *Standard Electric Time Co.*, 155 F. Supp. 949, 952 (D. Mass. 1957), *appeal dismissed*, 254 F.2d 598 (1st Cir. 1958); *Wen Products Inc.* v. *Portable Electric Tools, Inc.*, 367 F.2d 764 (7th Cir. 1966); *Admiral Corp.* v. *Zenith Radio Corp.*, 296 F.2d 708, 716 (10th Cir. 1961).

The applicant need *not* disclose known prior art which would assist the Patent Examiner in the first step of his obligations under § 103—namely, determining the scope and content of the prior art. This, of course, also prevents the Examiner from making an accurate factual evaluation of the second inquiry—the differences between the prior art and the claims at issue.

The district court below applied the Seventh Circuit's standard when it considered the respondents' duty to disclose known prior art (A. 13) and thus its holding of validity was affirmed despite the fact that the Patent Examiner had been deprived of the only prior art which would have afforded him an opportunity to determine the state of the art in the field of the alleged invention.

The Fifth Circuit demands more of a patent applicant. In that Circuit he has an "uncompromising duty" to disclose all prior art to the Patent Office for the reason that:

> The Patent Office does not have full research facilities of its own, and it has never been intended by Congress that it should. In examining patents, the Office relies heavily upon the prior art references that are cited to it by applicants. It is therefore evident that our patent system could not function successfully if applicants

> were allowed to approach the Patent Office as an arm's length adversary. (*Beckman Instruments, Inc.* v. *Chemtronics, Inc.*, __ F.2d __, __, 165 U.S.P.Q. 355, 363 (5th Cir. 1970))

Applying a similar rationale a Pennsylvania district court invalidated a patent stating:

> The patent applicant should be held to the same standard of truthful disclosure to the patent office that Congress has required of the seller of securities to the public. . . . The same standard of candor should also apply to the patent applicant and, when deliberately violated in order to mislead, should result in the denial of a patent. The 17-year monopoly of a patent is a major exception to our basic concepts of free enterprise and the burden ought to be on the applicant to show that he truly has made a discovery which warrants a monopoly. . . . To distinguish the making of false statements of material fact to the patent office from misleading omissions of material fact would be to invite the kind of deception that occurred here. We conclude that there is no rational basis for a distinction between affirmative misrepresentations and misleading omissions. (*Monsanto Co.* v. *Rohm & Haas Co.*, 312 F. Supp. 778, 793 (E.D. Pa. 1970))

The Fifth Circuit and a district court in the Third Circuit would therefore require the applicants to disclose anticipatory prior art *as well as* prior art relevant to a determination of obviousness under § 103. By this standard, the patentees of the patent in suit failed in their "uncompromising duty".

Intermediate these diverse views is the Ninth Circuit's rule that only "undisputed and obviously relevant" prior art must be disclosed to the Patent Office[6] and the Fourth

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[6] Duff-Norton Co. v. Rateliff, 362 F.2d 551, 553 (9th Cir. 1966).

Circuit's suggestion that only references more pertinent than those already cited by the Examiner need be called to his attention.[7]

Thus some circuits require an applicant to disclose only anticipatory prior art under § 102, some circuits require an uncompromising duty to disclose all known pertinent prior art, and others require something in between. This divergence of views creates uncertainty for the patentees and alleged infringers. This Court should act now to enunciate a standard applicable to all circuits.

B. Patent Applicants Should Have An Uncompromising Duty To Disclose Known Prior Art If The Patent Office Is To Make Meaningful Factual Inquires Under § 103.

On numerous occasions the patentees in this case urged the Patent Office that the subject matter constituted "a new concept in connection with surgery" and "a completely new combination . . . and such combination has provided an entirely new concept in surgical procedure." Because the Patent Examiner had not found *any* prior art on closed wound suction, they could make such assertions. However, they did so with knowledge of prior art which rendered these assertions false. They never disclosed this prior art to the Patent Office.

This Court recognizes the desirability of the Patent Office carefully screening the many applications filed with it:

> While we have focused attention on the appropriate standard to be applied by the courts, it must be remembered that the primary responsibility for sifting out unpatentable material lies in the Patent Office. To

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[7] Technograph Printed Circuits Ltd. v. Bendix Aviation Corp., 218 F. Supp. 1, 46-47 (D. Md. 1963), *aff'd.*, 327 F.2d 497 (4th Cir. 1964).

> await litigation is—for all practical purposes—to debilitate the patent system. [*Graham* v. *John Deere Co.*, 383 U.S. at 18.][6]

The Patent Office must make an initial basic factual inquiry into the scope and content of the prior art, as required by *Graham*, when determining whether the subject matter is deserving of a patent under § 103. If the applicants do not disclose prior art known to them in the field of the invention, as in this case, the Patent Office cannot make that determination.

The Court noted in *Graham*[6] a discrepancy in the standard applied by the Patent Office and by the courts. Petitioners submit that this discrepancy is caused in part by patentees withholding known pertinent prior art. It is fundamental that the patent applicant must disclose what he knows to be the state of the art when he made his invention and the differences he asserts for his invention over the state of the art. Without this information, the Patent Office cannot be expected to issue valid patents.

C. *Precision Instrument* Places An "Uncompromising Duty" Of Disclosure Upon Patent Applicants.

The attitude expressed by this Court in *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.*, 324 U.S. 806, is as applicable today as it was in 1945:

> A patent by its very nature is affected with a public interest. As recognized by the Constitution, it is a special privilege designed to serve the public purpose of promoting the "Progress of Science and useful Arts." At the same time, a patent is an exception to the general rule against monopolies and to the right to access

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[6] 383 U.S. at 18.

to a free and open market. The far-reaching social and economic consequences of a patent, therefore, give the public a paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope. . . .

• • •

Those who have applications pending with the Patent Office or who are parties to Patent Office proceedings have an *uncompromising duty* to report to it all facts concerning possible fraud or inequitableness underlying the applications in issue. [Citation omitted.] This duty is not excused by reasonable doubts as to the sufficiency of the proof of the inequitable conduct nor by resort to independent legal advice. *Public interest demands that all facts relevant to such matters be submitted formally or informally to the Patent Office, which can then pass upon the sufficiency of the evidence. Only in this way can that agency act to safeguard the public in the first instance against fraudulent patent monopolies. Only in that way can the Patent Office and the public escape from being classed among the "mute and helpless victims of deception and fraud."* (324 U.S. at 816, 818.) (Emphasis added.)

This philosophy demands that a patent applicant disclose known prior art to the Patent Office.

II. At The Present Time The Defendant Of A Patent Infringement Action Does Not Have A Remedy Under The Antitrust Laws For Damages Sustained As A Result Of Defending Against A Patent Which Is Invalid And Unenforceable Because The Patentee Withheld Prior Art From The Patent Office.

In *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.*, 382 U.S. 172 (1965), this Court recently afforded an antitrust remedy under Section 2 of the Sherman Act against a patentee who had procured his patent by

"intentional fraud", when the claimant could establish all the other elements of a Section 2 monopolization charge. As a practical matter the requirements of "intentional fraud" and injury in the relevant market effectively preclude recovery under the antitrust laws in the typical case, such as this one.[9] It is one thing to prove that the patentee has withheld known prior art, but another to prove that it was intentionally withheld with intent to defraud. Similarly, it is evident the defendant in a patent infringement action has expended considerable sums to defend against the invalid, unenforceable patent, but it is often difficult to establish that the patent has exclusionary power in "the relevant market".

It should not be necessary to prove these matters to establish a violation of the antitrust laws, when the patentee has withheld known prior art and thus precluded the Patent Office from a meaningful evaluation of the patentable merit of the invention. The patentee's acts conceive an invalid and unenforceable patent—an invalid monopoly[10]—which the patentee proceeds to enforce against others. An alleged infringer has three choices: (1) give up the product line, (2) take a license (assuming one is available), or (3) fight. If he gets out, the invalid monopoly has indeed been effective. If he takes a license, it has also reduced his profits and filled the pockets of the patentee. If he fights, he faces a costly battle.

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[9] The District Court found that the relevant market included the prior art devices, as well as others, and thus there was "no evidence . . . that the Plaintiffs have exclusionary or monopoly power within this relevant market." (A-25)

[10] This Court has for some time considered a patent to be a monopoly. Crown Die and Tool Co. v. Nye Tool and Machine Works, 261 U.S. 24, 37 (1923); Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U.S. 405 (1908).

The business injury to the alleged infringer is obvious and was recognized in *Dairy Foods, Inc.* v. *Dairy Maid Products Cooperative*, 297 F.2d 805, 808-9 (7th Cir. 1961):

> The injury is the necessity that defendant make a choice among alternatives each of which has an adverse economic or financial impact on its . . . business. It was allegedly compelled either to cease production with consequent loss of sales of the product, pay tribute with consequent increase in production cost, or incur the financial burden of expenses incident to the defense of litigation. Each of these alternatives had its particular adverse economic or financial effect on defendant's . . . business. To place a person in such a situation is an injury to his business. True, it is the defendant's choice which determines the nature of the resulting damages but it is the necessity of having to choose from such alternatives that is the injury. . . . Section 4 of the Clayton Act by its reference to the person "injured" recognizes that it is the "injury" which gives rise to the consequent liability to respond in threefold "damages".

Furthermore, the economic injury is the same whether the patentee intentionally or unintentionally withheld the prior art. The profits lost in attorneys' fees and costs hurt just as much as profits lost in the market place. So whether the patent is invalid and unenforceable because of "intentional fraud" or something less than intention fraud does not affect the adverse economic impact on the alleged infringer who chooses to have his day in court.

At the present time the defendant in such a patent infringement action does not have a remedy under the antitrust laws for the injury he has sustained as a result of defending against the invalid, unenforceable patent. This is a serious gap in available private antitrust remedies and deserves this Court's attention.

CONCLUSION

There is an urgent need for this Court to establish for the entire country a clear understanding of the nature and extent of the uncompromising duty imposed upon patent applicants to disclose all known pertinent prior art to the Patent Office in order that there may be a meaningful evaluation of the merits of a patent application. Those applications surviving an honest and complete examination will have strengthened vitality—a salutary effect upon our patent system. However, where the patentee fails in this uncompromising duty and withholds prior art and seeks to enforce his invalid, unenforceable patent, the antitrust laws should provide a remedy to the defendant who elected to fight rather than capitulate to an invalid monopoly.

Respectfully submitted,

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December 17, 1970

MEMORANDUM

MERCANTILE NATIONAL BANK OF CHICAGO,
HAROLD I. SNYDER,
SNYDER MANUFACTURING COMPANY, INC.,
ZIMMER MANUFACTURING COMPANY,

Plaintiffs,

vs.

QUEST, INC.,
and
PAUL E. MAGERS,

Defendants.

Civ. No. 3571.

UNITED STATES DISTRICT COURT
N. D. INDIANA,
SOUTH BEND DIVISION.
Feb. 5, 1969.

Robert L. Rasor, Graham, Rasor, Harris, Warsaw, Ind.; Richard R. Trexler, Olson, Trexler, Wolters & Bushnell, Chicago, Ill., Francis J. McConnell, Chicago, Ill., co-counsel, for plaintiffs.

Robert G. Irish, Hood, Gust & Irish, Fort Wayne, Ind., for defendants.

MEMORANDUM

GRANT, District Judge.

Plaintiffs, as patentees and licensees, under United States Letters Patent No. 3,115,138, bring this action for injunction and damages for infringement* against the man-

* Before trial, the Court granted defendants' Motion for Summary Judgment directed against a second count of complaint based upon an alleged appropriation of trade secrets and confidential information.

ufacturing defendant, Quest, Inc., (Quest) and Paul E. Magers (Magers), its President and Chief Executive Officer. Plaintiffs charged that defendants' infringement was willful and deliberate and seek treble damages.

By their answer, defendants denied the charge of infringement, alleged invalidity of plaintiffs' patent, and denied enforceability by reason of alleged misuse. Defendants also counterclaimed on these same grounds and filed a second counterclaim charging plaintiffs with violation of the Indiana and Federal Anti-Trust Laws.

The patent in suit issued December 24, 1963, is titled "Evacuator." Its introductory line states: "This invention relates to evacuators and more particularly to surgical evacuators for the removal of fluid from the human body and the like."

Both the plaintiffs' device (Hemovac) and the alleged infringing device (Bel-O-Pak) are a self-contained, independently operable, evacuator for the extraction of body fluids, for ambulatory human use.

The questions of the issuance of the patent, its ownership, the jurisdiction of this Court, and the allegation that the defendants have manufactured and sold the alleged infringing device (Plaintiffs' Ex. 5-A-5-B and Plaintiffs' Ex. 6-A-6-E) are all admitted by the defendants and are not at issue here.

Following a lengthy trial to the Court, the issues have been thoroughly and exhaustively briefed by counsel and the matter is now ripe for decision.

After a careful study of all of the issues involved, the Court finds said Patent No. 3,115,138 to be valid, and infringed by the defendants and, also, finds against defendants on their counterclaim charging plaintiffs with misuse, and with a violation of the State and Federal Anti-Trust Laws.

BACKGROUND

The evacuation of fluids from a closed wound following surgery had long been met by (1) gravity drainage, by (2) pressure dressings or compression bandages, or, in later years, by (3) negative pressure or suction. Both the gravity drainage and compression bandage methods carried with them considerable obvious inherent disadvantages.

Prior to the appearance on the scene of the patent in suit, continuous closed wound suction had been accomplished by (1) an electric or other power-driven vacuum pump; (2) a central suction system; and (3) the evacuated bottle. Each of these systems had many admitted disadvantages such as cost, noise, breakage and undependability, but, chiefly, except in the case of an evacuated bottle which the patient could conceivably carry around with him, they restricted the activity of the patient and delayed post-operative exercises, ambulation and rehabilitation.

Plaintiff's decedent, Dr. Robert T. McElvenny, became interested in continuous closed wound suction as early as 1959 and engaged with a Dr. Meuller of Switzerland in discussions on the subject. Dr. Meuller was at that time an orthopedic surgeon at Wesley Memorial Hospital in Chicago. Mr. Gregory Sullivan, another applicant for the patent in suit, was his assistant. The third applicant, plaintiff Harold I. Snyder, was the principal owner of plaintiff Snyder Manufacturing Company, Inc. in New Philadelphia, Ohio.

Plaintiff McElvenny and his medical associates took up this challenge to provide a better device for continuous closed wound suction that would be self-actuating and portable. After experimenting with, and abandoning, the use of plastic bottles, they turned to devices using a spring to assure continuous suction.

In January, 1960, one of plaintiff McElvenny's manufacturing interests demonstrated an illustrative prototype of plaintiffs' new evacuator at an orthopedic show in Chicago, sponsored by the American Academy of Orthopedic Surgeons. At that Chicago show, Mr. Allan Ramsay, plaintiff Zimmer's Chicago distributor, and a long-time friend of Dr. McElvenny, introduced the personnel of plaintiff Zimmer, including defendant Paul E. Magers, to the subject matter of the patent in suit. Magers, a graduate engineer, whose principal experience had been in the automotive field, had become general manager at Zimmer a year earlier. He left Zimmer the following June, 1960, to join a Zimmer competitor, DePuy Manufacturing Company (DePuy) also headquartered in Warsaw, Indiana, as DePuy's manager.

Plaintiffs' application for Letters Patent was filed July 14, 1960. The plaintiff, Snyder Manufacturing Company, was granted exclusive rights to make, use and sell under the patent, and Snyder thereafter transferred to plaintiff Zimmer the exclusive sales rights.

The first Hemovacs were delivered to Zimmer in July of 1960 and production in quantity was delivered in September or October of that same year.

The defendant, Paul Magers, had little to do with the evacuator between January of 1960 and the time he left Zimmer in May or June of 1960. Later in the year and after he became employed with DePuy, his interest in the evacuator became more apparent. He made several trips to Chicago, either alone or with Keaton Landis of DePuy, to see Dr. McElvenny and Gregory Sullivan and to visit Wesley Memorial Hospital. Magers, accompanied by a Harry Hoopes, also went to New Philadelphia, Ohio, to see Harold Snyder (plaintiff herein who had been granted exclusive rights to make plaintiffs' Hemovac).

The assigned reason for Magers' trips to Chicago and to New Philadelphia, Ohio, was to attempt to work out some

type of agreement with the plaintiffs regarding the distribution and/or manufacture of the evacuator. It is thus clear that at least by the fall of 1960, Magers had an interest in the subject matter and, further, that he recognized that the plaintiffs had some type of proprietary rights in the evacuator. Gregory Sullivan testified in his discovery deposition that during such a visit Magers said, "I am going to get one of those bags or bust." Harold Snyder testified that Magers and Hoopes told him that if they could not have a contract, "they would take the Hemovac and take it and use it anyhow * * *."

Inasmuch as the Hemovac came onto the market in the fall of 1960 and since Magers acquired at least one of the devices some time around November of that year, there can be no doubt that Magers' had knowledge of the "patent pending" with respect to the Hemovac as of that date.

The first concrete evidence we have of activity by Magers while at DePuy regarding the development of an evacuator was in September of 1961 when Magers received a reply letter to his inquiry searching for a manufacturing source of tubing for an evacuator. In October of 1961, Magers received another letter from a different manufacturer regarding the same subject, i. e., a source of tubing. Also during October, Magers was testing the suction characteristics of plaintiffs' Hemovac. A letter from Mr. Moffat of Industrial Plastics Corporation to Magers, dated December 13, 1961, regarding the tubing, suggests that Magers was sending Hemovac components to potential suppliers for possible duplication. This practice was admitted by Magers during his testimony at the trial.

On January 24, 1962, Magers wrote to Amrette and Harry Hoopes regarding the progress of his development and perfection of an evacuator at DePuy and discussing the matter of the plaintiffs' pending patent rights.

Magers was discharged from his employment at DePuy on February 9, 1962, for reasons which relate in at least some degree to his activities in the development of an evacuator, or what was at that time referred to as the "Vaculator." In fact, DePuy filed suit a year later against Magers in the Kosciusko County Circuit Court alleging that Magers violated his duties and responsibilities as an employee of DePuy and that he was guilty of improper appropriation of DePuy property in reference to the evacuator which Magers started to develop while at DePuy. That suit was subsequently dropped.

Shortly after his departure from DePuy, Magers took his first steps with respect to his own marketing operations for an evacuator. It is clear that Magers had constructed a sample model of his Bel-O-Pak unit at least by April 27, 1962. He organized the defendant, Quest, Inc., about August of 1962 and the defendants were in commercial production of the accused Bel-O-Pak in about December of the same year.

Plaintiffs' patent issued December 24, 1963, and defendants were formally notified of infringement as to said patent shortly before April 2, 1964. Plaintiffs thereafter, on March 31, 1965, filed this action alleging infringement of their patent by these defendants.

INFRINGEMENT ISSUE

The plaintiffs allege that claims 3 through 14 of their patent are infringed by the defendants' accused device. Counsel on both sides, for purposes of argument and discussion, have divided these claims into two categories and the Court will follow that pattern.

Claims 4, 5 and 7 through 14:

Inasmuch as Claims 5 and 7 through 14 are either dependent on, or are similar to Claim 4 of the patent in suit,

all of the arguments, remarks and findings directed to Claim 4 (the independent claim) are also intended to encompass and to apply to Claims 5 and 7 through 14 for the purposes of this opinion.

[1, 2] The Court finds from the evidence that these claims read directly and verbatim upon the defendants' Bel-O-Pak and that there is a real identity of means, operation, structure and result between the two devices here in question. (See Claim Charts PX 32-PX 35.) The United States Supreme Court stated the controlling principle in Graver Tank Co. v. Linde Air Products Co., 339 U.S. 605, 607, 70 S.Ct. 854, 855, 94 L.Ed. 1097 (1950), when it said:

> In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it.

The Court is not persuaded by the defendants' argument as they pertain to defendants' interpretation of these individual claims, (standing alone as if in a vacuum), for the reason that the plaintiffs' invention is not the pump *per se*, or any part of the pump, but is, rather, a self-actuating, self-contained, surgical evacuator for ambulatory human use. Plaintiffs' invention relates to the combination of elements as defined in the claims of the patent and not to any one element or part of the invention in isolation.

On the basis of the evidence before the Court, we are of the opinion that the plaintiffs have sustained their burden of proof in showing that Claims 4, 5 and 7 through 14 are infringed by the defendants' accused structure, the Bel-O-Pak.

Claims 3 and 6:

[3] There is no contention that these two claims read literally on the defendants' Bel-O-Pak. Plaintiffs base their charge of infringement with respect to these claims on what is commonly referred to as the "doctrine of equivalents." In the words of the Supreme Court in Graver Tank Co. v. Linde Air Products Co., 339 U.S. 605, 608, 70 S.Ct. 854, 856 (1950):

> (I)f two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form or shape.

The Seventh Circuit Court of Appeals has accepted and applied the "doctrine of equivalents" in several cases. In Hunt v. Armour & Co., 185 F.2d 722, 728 (7th Cir., 1950), the Court said:

> It is well established that the test of infringement is whether the accused device does the same work in substantially the same way and accomplishes the same result. (Citations omitted.)
>
> An infringement is not avoided by a mere reversal or transposition of parts or a mere change in form without change in function. (Citations omitted.)

The central factual issue which permeated this entire case on the issue of infringement of Claims 3 and 6, and the application of the doctrine of equivalents, is whether the defendants' Bel-O-Pak is equivalent to a spring as recited in the patent in suit. Upon due and careful consideration of the evidence we are of the opinion that the accused device is equivalent to a spring and that the Bel-O-Pak infringes these two claims by reason of the application of the doctrine of equivalents as set forth by the Supreme Court and as accepted and applied by the Seventh Circuit Court of Appeals. The function and purpose of the two devices in issue

are identical, and they are equivalent in that they do the same work in substantially the same way and accomplish substantially the same result.

Willful and Wanton:

[4] The plaintiffs have alleged not only that the defendants are guilty of infringement of their patent, but also that such infringement was willful and wanton and thus that treble damages should be awarded pursuant to 35 U.S.C. § 284. On the basis of the evidence in this case, and especially in light of the fact that the defendants sought the advice of patent counsel before marketing their device, we find that the plaintiffs have failed to sustain the burden of proof necessary to show that the defendants' conduct was willful and wanton to the extent required for the recovery of treble damages. See Anderson Co. v. Sears, Roebuck & Co., 265 F.2d 755, 763 (7th Cir., 1959); Artmoore Co. v. Dayless Mfg. Co., 208 F.2d 1 (7th Cir., 1953); Upjohn Co. v. Italian Drugs Importing Co., 190 F. Supp. 361 (D.C.N.Y., 1961); Armstrong v. Emerson Radio & Phonograph Corp., 179 F. Supp. 95 (D.C.N.Y., 1959).

VALIDITY ISSUE

The defendants have alleged in their answer that there can be no infringement of the plaintiffs' patent because it is invalid and also that the rights granted by the patent are unenforceable by reasons of alleged fraud on the patent office in the prosecution of the patent application.

[5-7] When considering an allegation that a patent is invalid, the initial controlling rule is that a patent issued by the United States Patent Office is presumed to be valid. 35 U.S.C. § 282. This presumption is strengthened when the prior art references relied upon by the defendant, or their equivalents, were considered by the Patent Office before

granting the patent. Ekstrom Carlson & Co. v. Cherrul Machine Works, Inc., 298 F.2d 765, 768 (7th Cir.), cert. den. 369 U.S. 886, 82 S.Ct. 1160, 8 L.Ed.2d 287 (1962); American Needle and Novelty Co. v. Schneeser Knitting Mills, 258 F. Supp. 98 (D.C.Ill., 1966), modified on other grounds, 379 F.2d 376 (7th Cir., 1967). On the other hand, there is no presumption of validity as against prior art which was not before the Patent Office during the prosecution of the patent application. Skirow v. Roberts Colonial House, 361 F.2d 388, 390 (7th Cir., 1966).

[8] It is also a well settled principle that a party alleging invalidity of a patent or of certain claims found in a patent "has a heavy burden of establishing invalidity by clear and convincing evidence." Walt Disney Productions v. Fred A. Niles Communications Center, 369 F.2d 230, 234 (7th Cir., 1966). The defendants have raised numerous contentions and have made several arguments as to why the patent in suit is invalid.

[9, 10] First of all, the defendants contend that the claims of the patent in suit are directed to an old combination and are thus invalid within the holding of Lincoln Engineering Co. v. Stewart Warner Corp., 303 U.S. 545, 549, 58 S.Ct. 662, 82 L.Ed. 1008 (1938). The Court is not convinced by defendants' argument. In the recent case of National Dairy Products Corp. v. Borden Co., 394 F.2d 887, 890, n. 8 (7th Cir., 1968), Judge Swygert made a statement which is applicable here and which disposes of defendants' argument:

> The fact that the Podlesak method combined separate steps that were old and revealed in the prior art does not negate patentability. Copease Mfg. Co. v. American Photocopy Equip. Co., 298 F.2d 772 (7th Cir., 1961). In addition, that no one discovered the patented method until Podlesak, though the individual steps were avail-

able for so long, is evidence of non-obviousness. See United States v. Adams, 383 U.S. 39, 51, 52, 86 S.Ct. 708, 15 L.Ed.2d 572 (1966).

[11-13] The second and third contentions of the defendants raise the issues of anticipation and obviousness. After a careful consideration of the references relied on by the defendants as constituting the prior art, we believe that an improvement has been made by the patented device, and thus there is no anticipation under 35 U.S.C. § 102, as argued by the defendants. Furthermore, upon consideration of the differences between the subject matter patented and the prior art, we are of the opinion that such subject matter as a whole would not be obvious at the time of the invention to a person having ordinary skill in the art to which the subject matter pertains. Thus, the patent is not invalid under 35 U.S.C. § 103 for obviousness. It is not necessary that the results produced by the combination of elements found in the patent produce an unusual or surprising result. Walt Disney Productions v. Fred A. Niles Communications Center, 369 F.2d 230, 234 (7th Cir., 1966).

[14] The prior art references on which the defendants rely consist of medical literature (articles) (DX 55A-55U) and prior patents (DX 30A-30T and DX 56A, B, C). Upon an examination of the medical literature, it is apparent that the technique, method or procedure of what may be termed "closed wound suction" had been known to the medical profession for years. The plaintiffs themselves do not dispute this fact. This fact, however, does not affect the validity of the patent in suit, for the invention covered by the patent does not claim the technique or method of closed wound suction; no method claims were submitted to the Patent Office. The patent we are concerned with contains apparatus, not method claims.

Nor do the prior patent references relied on by the defendants support their contention that the patent in suit is invalid by reason of anticipation and obviousness. These alleged prior art patents do not disclose the elements as claimed in the patented invention, and, furthermore, the prior art patents which were made known to the patent examiner are equivalent, as far as their materiality to this case is concerned, to the alleged prior art patents which were not specifically brought to the attention of the patent examiner.

[15] Our finding of non-obviousness is further supported by the secondary considerations which may be utilized in deciding the issue of obviousness. Graham v. John Deere Co., 383 U.S. 1, 17-18, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966). The plaintiffs' Hemovac has made a valuable contribution to medical science and to the benefit of mankind; it has met with commercial success; and it has proved its superiority in the market place with competitive devices.

[16-18] The defendants also allege that the plaintiffs committed fraud on the Patent Office in the prosecution of the application for the patent in suit and, consequently, the patent is not now enforceable because of "unclean hands." Upon an examination of the file wrapper history of this patent and of the evidence presented at the trial on this issue, we find that the defendants have not met the requisite burden of proof necessary to prove fraud on the Patent Office. The type of activity and conduct which calls for the denial of the enforceability of a patent due to fraud on the Patent Office involves a knowing and willful misrepresentation of a material matter. Martin v. Ford Alexander Corp., 160 F. Supp. 670 (D.C.Cal., 1958). Good faith is a complete defense. Walker Process Equipment Inc. v. Food Machinery & Chemical Corp., 382 U.S. 172, 177, 86 S.Ct. 347, 15

L.Ed.2d 247 (1965). The patentees were under no duty to communicate to the Patent Office something which they were not claiming, i.e., the technique or method of closed wound suction itself. The actions of the patentees in prosecuting the patented invention in the Patent Office were not of the clear and outrageous nature as is generally found in fraud on the Patent Office cases. See e.g. Precision Instrument Mfg. Co. v. Automatic Maintenance Machinery Co., 324 U.S. 806, 65 S.Ct. 993, 89 L.Ed. 1381 (1945); Hazel-Atlas Glass Co. v. Hartford-Empire Co., 322 U.S. 238, 64 S.Ct. 997, 88 L.Ed. 1250 (1944).

[19] There is no indication in the file wrapper history as a whole that the patent examiner was in any way deceived or misled by statements made by the patentees. Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., 381 F.2d 879 (7th Cir., 1967); Marks v. Polaroid Corp., 237 F.2d 428 (1st Cir., 1956). And finally, where prior art known to the patentees does not anticipate the subject matter of the invention, there is no obligation to call such prior art to the attention of the patent examiner. Wen Products, Inc. v. Portable Electric Tools, Inc., 367 F.2d 764 (7th Cir., 1966); Canaan Products, Inc. v. Edward Don & Co., 273 F. Supp. 492, 501 D.C.Ill., 1966).

The defendants' further contentions that the patent fails to meet the standard of invention for combination patents, that the claims do not read on the disclosure of the patent in suit, that the claims are functional at point of novelty, that the claims omit an essential element and that the claims are invalid for want of a supplemental oath are without merit and fail to support the defendants' allegations of patent invalidity.

ANTITRUST AND MISUSE ISSUES

The defendants allege in their counterclaim that the plaintiffs have violated Sections 1 and 2 of the Sherman Act (15 U.S.C.A. §§ 1 and 2), Section 3 of the Clayton Act (15 U.S.C.A. § 14) and the comparable state laws found in Burns' Ind. Stat. Ann. Sections 23-116 and 23-117.

[20] Whenever issues arise involving alleged violations of the antitrust laws, the initial and often the pivotal point of the case is the determination of what constitutes the relevant market. This case is no exception.

[21] Monopoly power, as required by Section 2 of the Sherman Act, means the "power of controlling prices or unreasonably restricting competition," but before it is possible to determine if one has such monopoly power, it is first necessary to define the relevant market. United States v. E. I. Du Pont De Nemours & Co., 351 U.S. 377, 389, 380-381, 76 S.Ct. 994, 1004, 100 L.Ed. 1264 (1956). The defendants' position is that the relevant market is limited to portable surgical evacuators (i.e., Hemovac, Bel-O-Pak, and Redivacette) and that the plaintiffs' 90% share of this market constitutes a dominant position. The plaintiffs do not dispute that they possess 90% of the portable surgical evacuator market, but they do dispute the defendants' contention regarding the extent and constitution of the relevant market. The plaintiffs argue that the relevant market is much broader than the portable, surgical evacuator market and includes all of those products which are available to effect wound drainage.

On the basis of the evidence in this case and on the basis of the criteria announced in United States v. E. I. Du Pont De Nemours & Co., supra, we are of the opinion that the relevant market consists of those products which are available to effect wound drainage, and that the relevant market

is not restricted to and limited only to portable surgical evacuators. The Court in the Du Pont case said:

> The 'market' which one must study to determine when a producer has monopoly power will vary with the part of commerce under consideration. The tests are constant. That market is composed of products that have reasonable interchangeability for the purposes for which they are produced— price, use, and qualities considered. (At p. 404, 76 S.Ct. at p. 1012.)

[22, 23] The purpose of the plaintiffs' Hemovac is to effect wound drainage. Other devices or products which were used before the Hemovac and which are still being used today to effect wound drainage include gravity drainage, electric pumps of the Gomco type, central suction systems, 2-bottle siphon apparatus, and others. All of these products fall within the test set out in the Du Pont case for determining relevant market, for they are "reasonably interchangeable by consumers for the same purpose". Since there is no evidence as to what the plaintiffs' position and power are in the relevant market as we define it, the allegations as to violation of Section 2 of the Sherman Act must fail, for there is no relevant evidence here from which the Court can appraise the exclusionary or monopoly power which the plaintiffs are alleged to possess.

As to the allegations regarding the violation of Section 3 of the Clayton Act, the Supreme Court in Tampa Electric Co. v. Nashville Coal Co., 365 U.S. 320, 321, 328-329, 81 S.Ct. 623, 5 L.Ed.2d 580 (1961) held that in order for a contract to violate Section 3 of the Clayton Act, competition foreclosed by it must constitute a substantial share of the relevant market. Since the standard utilized in determining the proper relevant market for a Section 3 Clayton Act violation is the same as a Section 2 Sherman Act violation, the defendants' allegations that the plaintiffs violated Sec-

tion 3 of the Clayton Act also fail by reason of the Court's definition of the relevant market and the lack of any relevant evidence regarding the plaintiffs' share of said market. United States v. Chas. Pfizer & Co., 246 F. Supp. 464 (D.C. N.Y., 1965).

[24] The Court in Tampa Electric Co. v. Nashville Coal Co., supra, 365 U.S. at p. 335, 81 S.Ct. 623 held that since the contract (which involved an exclusive-dealing arrangement) did not fall within the broader proscription of Section 3 of the Clayton Act, it was likewise not forbidden by Section 1 or Section 2 of the Sherman Act either. That same principle applies equally well to the case at bar.

[25, 26] Furthermore, the defendants have failed to show any damages to their business or property as a result of the alleged maximum price fixing provisions found in the agreements between Snyder Manufacturing Co. and Zimmer Manufacturing Co., which the defendants allege violate Section 1 of the Sherman Act. (See R. 9-11, 6-18). Since this antitrust action on the counterclaim is being brought by an individual(s), rather than by the government, it is incumbent upon such persons(s) to prove that he has been injured in his business or property by reason of the alleged antitrust violation. 15 U.S.C.A. § 15. It is a well established rule that a pecuniary loss is an essential element which must be established before an individual can recover on a private antitrust treble damage action. Martin v. Phillips Petroleum Co., 365 F.2d 629 (5th Cir. 1966), cert. den. 385 U.S. 991, 87 S.Ct. 600, 17 L.Ed.2d 451 (1966), rehear. den. 386 U.S. 930, 87 S.Ct. 851, 17 L.Ed.2d 804 (1966); Peller v. International Boxing Club, 227 F.2d 593 (7th Cir., 1955); Turner Glass Corp. v. Hartford-Empire Co., 173 F.2d 49 (7th Cir., 1949), cert. den. 338 U.S. 830, 70 S.Ct. 57, 94 L.Ed. 505 (1949), rehear. den. 338 U.S. 881, 70 S.Ct. 154, 94 L.Ed. 541 (1949).

For the foregoing reasons, the Court finds against the defendants on their counterclaim alleging violations of Sections 1 and 2 of the Sherman Act, Section 3 of the Clayton Act, and Burns' Ind. Stat. Sections 23-116 and 23-117. We further find that the defendants' allegations regarding the plaintiffs' alleged misuse of the patent are without merit and afford the defendants no defense to the allegations of their infringement of the plaintiffs' patent, and afford defendants no rights to recover on Count 1 of their counterclaim.

Counsel for the plaintiffs are hereby invited to submit proposed findings of fact and conclusions of law not inconsistent with this opinion.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

DISTRICT COURT, N. D. INDIANA,
SOUTH BEND DIV.
MERCANTILE NATIONAL BANK OF CHICAGO
ET AL. VS. QUEST, INC., ET AL.
NO. 3571 DECIDED MARCH 14, 1969

FINDINGS OF FACT

1. Plaintiff Mercantile National Bank of Chicago is a trustee of Robert T. McElvenny, deceased, one of the patentees named in United States Letters Patent No. 3,115,138, and is a co-owner of the legal title to said patent.

2. Plaintiff Harold I. Snyder is a citizen of the United States and a resident of Dover, Ohio, is another patentee named in United States Letters Patent No. 3,115,138, and is a co-owner of the legal title to said patent.

3. Plaintiff Snyder Manufacturing Co., Inc., is a corporation organized and existing under the laws of the State of

Ohio, has its offices and principal place of business at New Philadelphia, Ohio, and is the exclusive licensee under United States Letters Patent No. 3,115,138.

4. Plaintiff Zimmer Manufacturing Co. is a corporation organized and existing under the laws of the State of Indiana, has its offices and principal place of business at Warsaw, Indiana, and has exclusive sales rights to devices as set forth and claimed in United States Letters Patent No. 3,115,138 by virtue of a grant from Snyder Manufacturing Co., Inc.

5. Defendant Quest, Inc. is a corporation organized and existing under the laws of the State of Indiana and has its principal office and place of business at Warsaw, Indiana.

6. Defendant Paul E. Magers is a citizen of the United States and a resident of Warsaw, Indiana, and is the President and principal executive officer of Defendant Quest, Inc.

7. United States Letters Patent No. 3,115,138 duly and legally issued on December 24, 1963; and Plaintiffs are entitled to bring this action for its infringement.

8. Plaintiff Snyder Manufacturing Co., Inc., manufactures and Plaintiff Zimmer Manufacturing Co., sells a surgical evacuator, embodying the invention of United States Letters Patent No. 3,115,138, under the trademark "Hemovac"; and the proper statutory patent notice has been placed on the surgical evacuators so manufactured and sold.

9. Defendant Quest, Inc., under the direction and control of Defendant Paul E. Magers, has manufactured and sold within this District and Division, and elsewhere in the United States, within the six (6) years next preceding the filing of Plaintiffs' Complaint, surgical evacuators which it

has identified by the name "Bel-O-Pak" and which are charged to be an infringement of Plaintiffs' patent. Plaintiffs first charged Defendants with infringement by actual notice at least as early as April 2, 1964.

10. The causes of action stated in Count I of Plaintiffs' Complaint and in Defendants' Counterclaim I arise under the patent laws of the United States, 35 U.S.C. 271-287.

11. The cause of action stated in Defendants' Counterclaim II arises under the antitrust laws of the United States and of the State of Indiana, 15 U.S.C. 1, 2 and 14 and Indiana Statutes (Burns Act), Chapter 23, Sections 116-127.

12. This Court has jurisdiction over the parties and the subject matter of Plaintiffs' Complaint and the subject matter of Defendants' Counterclaims. Venue in this judicial District and Division is proper.

13. Closed wound suction is a surgical technique in which negative pressure (suction) is applied to a surgical wound that has been closed to the atmosphere by such means as sutures. A hollow tube is used as the suction connection communicating from the wound to a vacuum source. Closed wound suction has important advantages over other wound drainage techniques, such as gravity drainage and pressure dressings (compression bandages).

14. Before the invention of the patent in suit, closed wound suction was practiced by means of (1) an electric or other power-driven vacuum pump, (2) a central suction system, or (3) an evacuated bottle. Each of these systems has disadvantages, such as high cost, undesirable noise, breakage, difficulty of control, lack of dependability, and importantly, except to a limited and impractical degree in the case of the evacuated bottle, lack of portability. Absent

portability in the suction device, the physical activity of the patient is restricted and post-operative exercises, ambulation and rehabilitation are delayed.

15. In 1959, Plaintiffs' decedent, Dr. Robert T. McElvenny, took up the challenge of providing a continuously operable, self-acting, closed wound suction device for ambulatory human use, and worked on this project with Mr. Gregory Sullivan, another co-patentee named in Patent No. 3,115,138, and with Mr. Harold I. Snyder, the third co-patentee. At that time, there were no known closed wound suction devices which were reliable, and at the same time self-contained, portable and both independently and continuously operable.

16. The technique of closed wound suction was described in the medical literature at least as early as 1947; but prior to the introduction of Plaintiffs' "Hemovac", this technique was used in only a limited degree, despite its medical advantages, because of the inadequacies and difficulties in the apparatus available.

17. The evacuated bottle type of suction devices that were described in the prior art medical literature were unsatisfactory in that they were breakable and thereby dangerous, did not permit a visual determination of the degree of evacuation, and required attachment to a pump if the vacuum were lost. When a vacuum gauge was added to the bottle, it became necessary to maintain the unit in a vertical condition during storage and use, rendering portability difficult, and presterilization was precluded. The power-driven vacuum pump and central suction system are expensive and not portable; and ambulation by the patient is not possible.

18. The syringe type of suction devices that were described or referred to in the prior art medical literature

were unsatisfactory in that they did not provide a continuous, reliable, or adequate (sustained) suction.

19. The invention disclosed and claimed in Patent No. 3,115,138 made a valuable contribution to medical science and to the benefit of mankind in that it provided the first self contained, reliable, continuously acting, lightweight surgical evacuator device that could be economically manufactured and presterilized and thus put the technique of closed wound suction into general use. This was established by the testimony of Plaintiffs' witnesses including medical doctors knowledgeable in the field.

20. The commercial success of the Plaintiffs' invention and its proved superiority in the market place is established by the evidence that Plaintiffs, since 1960, have sold about $9,000,000 worth of the "Hemovac" closed wound suction devices in competition with all the pre-existing wound drainage means, including evacuated bottle type closed wound suction devices.

21. The Plaintiffs' invention does not reside in the pump per se, or any part of the pump but is, rather, a self-actuating, self contained, surgical evacuator for ambulatory human use. Plaintiffs' invention relates to the combination of elements as defined in the claims of the patent and not to any one element or part of the invention in isolation.

22. Upon a careful consideration of the references relied upon by the Defendants as constituting the prior art, the Court finds that improvement has been made by the patented device, and that there is no anticipation. The prior art patents do not disclose the combination of elements as claimed in the patented invention.

23. The differences between the claimed subject matter and the prior art would not have been obvious to a person of ordinary skill in the art of medical appliances in the

period of 1959-60 when the invention covered by U.S. Patent No. 3,115,138 was made.

24. The prior patents relied on by Defendants were either considered by the Patent Office or found their full equivalent in patents which were considered by the Patent Office.

[1] 25. The patentees made a good faith disclosure to the Patent Office of the most pertinent prior art known to them and were under no duty to communicate something they were not claiming, i.e. the medical technique of closed wound suction itself. There is no indication in the file wrapper of the patent in suit that the Patent Examiner was in any way deceived or misled.

26. The Court finds no evidence to support the Defendants' contentions that Plaintiffs' patent fails to meet the standard of invention for combination patents; or that the claims do not read upon the disclosure of the patent; or that the claims are functional at the point of novelty; or that the claims omit an essential element; or that the claims are invalid for want of a supplemental oath.

27. Upon the evidence the Court finds that Claims 4, 5 and 7-14 inclusive of Plaintiffs' patent in suit read directly and verbatim on the Defendants' accused "Bel-O-Pak" devices.

28. Claims 3 and 6 are infringed by the accused devices, under the doctrine of equivalents because the accused devices include therein the equivalent of a spring as required by these latter claims. There is no file wrapper estoppel which precludes the claims from having such scope or breadth.

[2] 29. While Defendants' accused "Bel-O-Pak" devices differ somewhat in form from the device shown in the

drawings of the patent in suit, the accused devices do the same work and accomplish the same result in substantially the same way as the device disclosed and claimed in the patent and there is a real identity of means, operation, structure and result.

30. Upon the issues of infringement and validity, the testimony of Plaintiffs' expert witnesses, based on long experience in the medical field, was much more persuasive and was far more than a preponderance of the evidence on each of the issues. Defendants' expert's testimony about the prior art and its applicability to the validity of Plaintiffs' patent claims was the result of hindsight observations and speculation.

31. Defendant, Paul Magers, had no prior knowledge of or experience with medical appliances before his employment by Plaintiff, Zimmer Manufacturing Co., in 1959, as General Manager. He was introduced to the subject matter of the patent in suit at an orthopedic show in Chicago in January of 1960 by Mr. Allan Ramsay, a long-time friend of Dr. McElvenny, and a distributor for Plaintiff Zimmer.

32. Magers left Zimmer in June of 1960 to join a Zimmer competitor, DePuy Manufacturing Company also headquartered in Warsaw, Indiana, as DePuy's General Manager. The Defendant, Paul Magers, had little to do with the evacuator between January of 1960 and the time he left Zimmer in May or June of 1960.

33. Later in the year 1960, Magers' interest in the evacuator became more apparent. Magers made several trips to Chicago, either alone or with Keaton Landis of DePuy, to see Dr. McElvenny and Gregory Sullivan and to visit Wesley Memorial Hospital where Dr. McElvenny practiced medicine. Magers, accompanied by Harry Hoopes, also went to New Philadelphia, Ohio, to see Harold Snyder. The

reasons assigned by Magers for these trips was to attempt to work out some type of an agreement with the Plaintiffs regarding the distribution and/or manufacture of the evacuator.

34. It is clear that at least by the fall of 1960, Magers had an interest in the subject matter, and further, recognized that the Plaintiffs had some type of proprietary rights in the evacuator.

35. The "Hemovac" came onto the market in the fall of 1960, and Magers acquired at least one of the "Hemovac" devices some time around November of 1960. There can be no doubt but that Magers had knowledge of the "Patent Pending" with respect to the "Hemovac" as of that date.

36. In the fall of 1961, while at DePuy, Magers was engaged in the development of an evacuator. Included in the activity was the testing of the suction characteristics of Plaintiffs' "Hemovac", and the sending of "Hemovac" components to potential suppliers for possible duplication, a practice which Magers admitted during his testimony at the trial.

37. On January 24, 1962, Magers wrote to Amrette and Harry Hoopes, regarding the progress of his development of an evacuator at DePuy and discussing the matter of Plaintiffs' pending patent rights.

38. Magers was discharged from his employment at DePuy on February 9, 1962 for reasons which relate in part to his activities in the development of an evacuator. A year later DePuy filed suit against Magers in the Kosciusko County Circuit Court alleging violation by Magers of his duties and responsibilities as an employee of DePuy, and that he was guilty of improper appropriation of DePuy property in reference to the evacuator. This suit was subsequently dropped.

39. Shortly after his departure from DePuy in February, 1962, Magers took his first steps with respect to his own marketing operations for an evacuator. A sample model of the "Bel-O-Pak" unit was made at least by April 27, 1962, and the Defendant, Quest, Inc., was organized on or about August of 1962. The Defendants were in commercial production of the accused "Bel-O-Pak" in about December of 1962.

40. Upon the basis of the foregoing findings, but in light of the fact that the Defendants sought the advice of patent counsel before marketing their device, the Court finds that Plaintiffs have failed to sustain the burden of proof necessary to show that the Defendants' conduct was willful and wanton to the extent required for the recovery of treble damages.

FINDINGS OF FACT ON ANTITRUST AND MISUSE ISSUES

41. Upon the issues of antitrust, the Court finds, upon the basis of the evidence, that, in respect to the subject matter, the relevant market consists of those products which are available to effect wound drainage; and that the relevant market is not restricted to or limited only to portable surgical evacuators. Other devices and products which were used before "Hemovac", and are still being used today, and which are reasonably interchangeable by consumers for the same purpose of wound drainage, include gravity drainage, electric pumps of the Gomco type, central suction systems, two-bottle siphon apparatus, and others. There is no evidence that the Plaintiffs' position is dominant or that the Plaintiffs have exclusionary or monopoly power within this relevant market.

42. The Defendants have failed to show any damages to their business or property as a result of the provisions to be

found in the agreements between Snyder Manufacturing Co. and Zimmer Manufacturing Co., of which the Defendants complain.

43. On the evidence, the Court finds that the business practices of Plaintiffs, including patent marking, constituted no misuse of Plaintiffs' patent or violation of either the Indiana State or Federal Antitrust Laws.

CONCLUSIONS OF LAW

1. This Court has jurisdiction over the parties and over the subject matter of this suit. Venue is properly laid in this District and Division.

2. Plaintiffs have title to United States Letters Patent No. 3,115,138 and are the owners of all rights thereunder, including the rights to sue for writ of injunction and to recover damages for past infringement.

3. Plaintiffs have maintained their burden of proving the essential facts alleged in Count I of the Complaint. The Defendants have not maintained their burden of proving the essential facts of any of their affirmative defenses, and Defendants have not maintained the burden of proving the essential facts alleged in their Counterclaims. The law is with the Plaintiffs and against the Defendants on each of the issues raised by Count I of the Complaint, and by Defendants' affirmative defenses and Counterclaims.

[3] 4. A United States Letters Patent regularly issued, is presumed to be valid, 35 U.S.C. 282; and this presumption is strengthened when the prior art references relied upon by the Defendants, or their equivalents, were considered by the Patent Office before granting the patent.

5. Claims 3 through 14 of Plaintiffs' United States Letters Patent No. 3,115,138 are good and valid in law.

6. The prior art references relied upon by the Defendants do not constitute an anticipation of Plaintiffs' patent claims under 35 U.S.C. 102.

7. The prior art references relied upon by the Defendants do not render Plaintiffs' claims invalid for obviousness under 35 U.S.C. 103.

8. The prior art references relied upon by the Defendants are not materially different, or more pertinent than those which were considered by the Patent Examiner in the allowance and issuance of Plaintiffs' claims.

9. Claims 3-14 of McElvenny et al. patent No. 3,115,138 set forth good and valid combinations, and these claims are not invalid as being directed to an old combination; or are these claims invalid for failure to meet the standard of invention for combination patents; or as failing to read on the disclosure of the patent specification; or as being functional at the point of novelty; or as omitting an essential element; or for want of a Supplemental Oath.

10. Claims 4, 5 and 7 through 14 in suit are infringed by Defendants' accused structure, and are directly readable thereon.

11. Claims 3 and 6 in suit are infringed by the Defendants' accused structure under the doctrine of equivalents. The function and purpose of the patented and accused devices are identical, and equivalent, doing the same work in substantially the same way to accomplish substantially the same result.

12. There was no obligation to call to the attention of the Patent Examiner prior art known to the applicants which did not anticipate the subject matter of the invention.

13. There was no duty to communicate to the Patent

Office something which the patent applicants were not claiming.

14. There was no duty upon the applicants for patent to call to the attention of the Patent Office prior art patents which are the equivalent, insofar as materiality to the invention is concerned, of the art considered by the examiner.

15. Plaintiffs' patent in suit is not unenforceable by reason of failure of disclosure to or fraud upon the Patent Office, or by reason of unclean hands.

16. The relevant market for purposes of the Sherman Act Section 2 allegations includes all products and devices used in effecting wound drainage, namely, gravity drainage, pressure dressings, electric or other power driven pumps, central suction systems, evacuated bottle devices, two-bottle siphon apparatus, and portable surgical evacuators such as the "Hemovac", "Bel-O-Pak" and "Redi-Vacette".

17. The product line of commerce for purposes of the Clayton Act Section 3 allegations is the same as the relevant market defined above.

18. Plaintiffs have not violated Sections 1 or 2 of the Sherman Act, 15 U.S.C. 1 and 2; or Section 3 of the Clayton Act, 15 U.S.C. 14; or the comparable state laws found in Burns' Indiana Statutes, Chapter 23, Sections 116 through 127.

19. There has been no misuse by Plaintiffs of their patent, and Plaintiffs' patent No. 3,115,138, in suit, is not rendered unenforceable by reason of any misuse.

20. Plaintiffs are entitled to an injunction restraining Defendants against further infringement of United States Letters Patent No. 3,115,138, as to claims 3-14 inclusive.

21. Plaintiffs are entitled to an award of damages for

Defendants' infringement of United States Letters Patent No. 3,115,138, together with interest and costs. Plaintiffs are entitled to an accounting by this Court to determine these amounts, and the cause should be continued as to the accounting issues pursuant to Rule 42 of the Federal Rules of Civil Procedure.

22. The Court finds against the Plaintiffs on the issue of treble damages for willful infringement, under 35 U.S.C. 284.

23. The Defendants' affirmative defenses to Count I of the Complaint are without merit.

24. The Defendants' Counterclaims are without merit and should be dismissed.

25. Every finding of fact deemed a conclusion of law is hereby adopted as a conclusion of law.

OPINION OF UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

No. 17694

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING CO., INCORPORATED, ZIMMER MANUFACTURING COMPANY,
Plaintiffs-Appellees,
v.
QUEST, INC., PAUL E. MAGERS,
Defendants-Appellants.

Appeal from the United States District Court for the Northern District of Indiana, South Bend Division.

August 13, 1970

Before SWYGERT, *Chief Judge*, and KILEY and KERNER, *Circuit Judges*.

KERNER, *Circuit Judge*. Plaintiff-appellees filed suit al-

leging acts of infringement by defendants-appellants of their patented wound evacuator, an apparatus providing closed wound suction, and acts of unfair competition. The district court entered a judgment order finding the patent valid and infringed. Defendants appeal.

The "evacuator" is a surgical device sold under the trade name of "Hemovac," for the removal of fluids from the human body. The device consists of two circular plastic outer walls held together by a flexible plastic side wall. Within the container are four spirally retained compression springs, which after the container is depressed and the stopper replaced, develops a vacuum against which the springs exert a steady pressure drawing off body fluids through a flexible plastic tube, one end of which is attached to the top of the container and the other is inserted in the vicinity of the wound. The device is light weight and is capable of being strapped to the patient for mobility. The container, when filled with fluid, is easily removed and replaced with a new sterile container, or drained of the fluids with little inconvenience to the patient. Further, the device does not require any vacuum developing machinery for activating the suction process. The inventors claim ease in shipment and economical cost as compared to other similarly operated devices.

The patent was developed by Dr. R. T. McElvenny, an orthopedic surgeon before his death, in conjunction with his assistant, Gregory Sullivan, and Harold I. Snyder. In January, 1960, a prototype was demonstrated before the Academy Meeting for Orthopedic Surgeons. The first devices for sale were manufactured by Snyder Manufacturing Co. (Snyder) and delivered to Zimmer Manufacturing Co. (Zimmer), distributor, about July, 1960.

Application for letters patent were filed on July 14, 1960, and Serial No. 42,889 was issued; Letters Patent No.

3,115,138 were granted December 24, 1963, for "Evacuator" to Robert T. McElvenny, Harold I. Snyder and Gregory B. Sullivan.[1]

Paul E. Magers was employed by Zimmer in January, 1959, and attended the Academy Meeting for Orthopedic Surgeons in January, 1960, as Zimmer's general manager. His attendance was motivated by the necessity of evaluating new products. At this meeting, Magers through Allan Ramsey, the Zimmer products distributor in Chicago, became aware of the McElvenny evacuator device. Simultaneously at this meeting Magers met representatives of DePuy Manufacturing Co., a competitor of Zimmer which resulted in employment of Magers by DePuy in June of 1960.

In August or September of 1960, Magers and J. Keaton Landis of DePuy visited with Dr. McElvenny and Gregory Sullivan in Chicago and discussed the development of the evacuator. Being informed that Dr. McElvenny had entered into an agreement for manufacture and distribution with Snyder, Magers and Harry H. Hoopes then contacted Harold I. Snyder and learned that an agreement had been entered into with Zimmer for an exclusive license for distribution of Dr. McElvenny's device, trademarked "Hemovac."

In February, 1962, Magers left the employ of DePuy and in August, 1962, he, with his wife and Earl J. Simmons, his father-in-law, incorporated defendant Quest, Inc., (Quest). Defendant Quest manufactured and sold its surgical evacuator, the alleged patent infringer, under the name of "Bel O-Pak."

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[1] The patentees assigned all rights under their patent to plaintiff Snyder Manufacturing Company. Plaintiff Snyder in turn licensed plaintiff Zimmer to distribute and sell the patented product.

Plaintiffs filed their complaint March 26, 1965, alleging in Count I, patent infringement, and in Count II, unfair competition, appropriation of trade secrets and confidential information, palming off and unjust enrichment. Defendants responded, denying all charges, alleging invalidity of the patent and denying enforceability by reason of misuse, and counterclaimed, filing a second counterclaim charging plaintiffs with violation of the Antitrust Laws of the United States and the State of Indiana. Extensive pre-trial interrogatories, depositions, affidavits and briefs were filed. Prior to trial, the district court granted defendant's motion for summary judgment on Count II of the complaint. Plaintiffs filed notice of waiver of appeal of this order.

Upon conclusion of the trial, the district court found plaintiffs' patent valid and infringed as to all claims 3-14; that the patent was enforceable against defendants; and that there had been no violation of the United States or Indiana State Antitrust Laws, and no patent misuse. The court further ordered a Writ of Perpetual Injunction to issue against the defendants twenty days after the issuance of the Judgment Order and for an accounting to determine the extent of plaintiffs' damages caused by the manufacture and sale of the infringing devices.

Defendants on appeal allege numerous errors in the court's Findings of Fact and Conclusions of Law. The errors alleged fall into several categories: prior art, obviousness, failure of good faith disclosure, misuse of patent and antitrust violations.

The rapid healing of surgical wounds has long been a goal sought by surgeons. Restoration in the past has been improved through gravity draining of the fluids that collect in the vicinity of the wound after hermetic suturing. Prior

to this early method, the body was required to absorb the effusions, which was a slow and unsatisfactory method, often causing the formation of fibrous tissue. As early as 1941, Iselin and Charton of France, discussed continuous suction and an article written on the topic by Anselme Schwartz in 1945. Numerous articles followed in the latter 1940's describing the advantages of negative pressure in holding skin flaps together and the insertion of multi-perforated catheters in the vicinity of the wound. This methodology eliminated bulky, and frequent changes of pressure dressings. Among the many contributors to the literature are the names of Murphy, Ralli, Redon, Baltimore, Cassie and Delnan.

The paper delivered by Henri Redon in 1954 at the Academie de Chirugie in Paris, appears from the many references made to it the most influential in the infancy of closed-wound suction technique. Redon described accelerating coaptation through a preliminary effective cleaning stage of the wound, suturing, insertion of a tube in the wound area and establishment of a negative pressure through the use of a vacuumed transfusion bottle "transformed into a pneumatic machine." A recommended vacuum of 75 cm. of mercury was to be maintained, and a manometric pressure control was used to measure the vacuum. The beneficial results listed by Redon are shortened hospitalization, simplification of nursing, comfort to the patient and reduction of oedema and post-operative adhesions.

This surgical technique is now commonly used by surgeons; however, the method of providing the suction or negative pressure has varied. Compressed bulb syringes may in some cases be satisfactory but are not generally used. The vacuumed bottle, suggested by Redon has served well, but has the disadvantages of weight, loss of vacuum requiring regeneration through expensive mechanical

equipment, and the use of a manometric gauge to determine vacuum. Central suction systems are used but are expensive to install and maintain. Individual power driven vacuum pumps may be used but they too are expensive, noisy and in the event oxygen for patient care is required, present a danger from electrically powered motors. Mobility of the patient is desirable as soon as possible, and none of the other methods of providing the negative pressure allowed the patient to be conveniently ambulatory.

Plaintiffs claim their device is completely self contained, including all the parts necessary for insertion of the tubing through a needle screw-threaded to the tubing and readily connected to the Hemovac container. The container is resiliently compressible and expandable, establishing a continuous and sustained negative pressure or vacuum. It is unbreakable and sterile, light in weight and can be strapped to the patient allowing him to be ambulatory while still providing the essential vacuum.

PRIOR ART

Defendants' primary allegations of error relate to the non-validity of the claims of the patent in suit over the prior art. Our attention is first directed to prior medical publications describing the technique of "closed-wound suction." Each of the exhibits cited describe surgeries of various portions of the body and the beneficial effect of post-operative closed-wound suction and the resultant accelerated and improved patient recovery. A review of the history of closed-wound suction leads us to the conclusion that the technique is indeed not new and novel.

Defendants assert that the claims in suit are drawn to a combination comprising the needle, perforated tubing

inserted in the wound area and the connector tubing that is joined to the suction source.

It is elementary patent law that a regularly issued patent is presumed valid (although the failure to consider pertinent prior art can destroy this presumption) and the party alleging invalidity assumes the burden of establishing invalidity by clear and convincing evidence, 35 U.S.C. §282; *Mumm* v. *Jacob E. Decker & Sons*, 301 U.S. 168 (1937); *American Infra-Red Radiant Co.* v. *Lambert Industries, Inc.*, 360 F. 2d 977 (8th Cir. 1966). A combination of various elements already known to the art is patentable if it accomplishes either a new or an old result "in a more facile, economical and efficient way in a particular environment which presented peculiar and difficult problems." *King-Seeley Thermos Co.* v. *Refrigerated Dispensers, Inc.*, 354 F. 2d 533 (10th Cir. 1965); *Consolidated Electro. Corp.* v. *Midwestern Instruments*, 260 F. 2d 811 (10th Cir. 1958). There is no contention or claim in the patent in suit of the invention of the draining tubing inserted into the wound area, or the joining of a tube or tubes to the main tube to the suction source. Claims 3-14 describe a container, its method of construction, operation and effect; strap fastenings for attaching to the body of the patient; exhaust opening and valve stopper of the container; screw-threaded needle; an adjustable "Y" adapter for attaching more than one draining tube to the patient; and a plurality of springs that exert an outward pressure on the container.

Defendant contends Sanders Patent 1,095,930 issued in 1914 disclosed a similar prior art container. Sanders is an embalming pump, preferably foot operated for quick operation, used to remove body fluids and to inject embalming fluids. The device consists of circular top and bottom plates of a heavy stable material joined together

by a "flexible material" (preferably leather) and affixed to the plates by glue and screw bolts. Within the container is a spiral spring that expands the device after it has been contracted. Defendant argues that the Sanders pump with numerous changes would be identical to the patent in question. We agree Sanders is a pump, but the similarity disappears beyond that point. The changes suggested by defendants to the original Sanders would make it literally unidentifiable to Sanders himself. We disagree with defendants that the claims for the container would have been disallowed by the Patent Office Examiner had he known of the existence of the Sanders patent, and find it not to fall within the definition of prior art.

Defendant further relies on the Maloney article, defendants' exhibit as prior art. The article describes "Apposition and Drainage of Large Skin Flaps by Suction," and is a further development of this technique. However, the suction pressure recommended by Maloney is "either a bottle with a negative underwater seal or an electric or water pump" or "the use of a syringe of the Dakin variety. . . ." The results from these methods of obtaining negative pressure have not been found as advantageous as the results obtained from the patent in issue.

The Tillotson Patent 2,122,121 issued in February, 1937, also relied on by defendants, described a suction drainage apparatus used in urologic surgery. The device is placed directly in contact with the body over the wound, and suction for its operation is obtained from "an electrically driven or other air pump, . . . or a running water aspirator of the type attachable to an ordinary water faucet." We fail to understand the comparison except that suction or negative pressure is used.

Prior art and prior surgical technique are not one and the same, and defendants appear to have consolidated

the two into one in their arguments. Mindful of the criteria established in *Consolidated Electro. Corp. v. Mid-western Instruments*, *supra*, the combining of various known elements is patentable if it accomplishes a result "in a more facile, economical, and efficient way in a particular environment which presented a peculiar and difficult problem."

The court in *O'Rourke Engineering Construction Co. v. McMullen*, 160 F. 2d 933, at 938, poses the following rhetorical questions: "Has the patentee added anything of value to the sum of human knowledge, has he made the world's work easier, cheaper and safer, would the return to the prior art be a retrogression?" Defendants state:

> [i]t is freely admitted that the availability of the "Hemovac" kit after September of 1960 greatly simplified the practice of the continuous closed-wound suction technique. Prior to the advent of such a kit, of course, it was necessary for the surgeon himself, or his staff, to collect, prior to surgery suitable tubing, connectors, a needle or other implement for producing a stab wound through which a portion of the catheter could be led, and an evacuated bottle, a rubber bulb syringe or other suction source; and in many instances to form additional perforations in the walls of that section of the catheter tube to be placed in the wound. Such perforations were time-consuming and introduced a risk of loss of sterility. Inconvenience, thus was a deterent to the universal use of the technique.

To this description we can only add that the patent in issue provided a new, novel and economical manner of providing a light, ambulatory source of continuous negative pressure to perform the fluid withdrawal component of the technique. In examining the prior art, the inescapable conclusion is that the patent not only contributed

substantially to simplify the technique but because of the efficiency and economical cost of the packaged device, removed a deterrent to the expanded use of the technique.

We have considered each of the items raised by defendants relating to prior art and find no error committed by the trial court and affirm the findings of validity of patentability.

OBVIOUSNESS

Defendants argue that the court committed error in its findings of validity for the reason that the subject matter as a whole was obvious to a person having ordinary skill in the art, long before 1959.

If the subject matter as a whole was obvious to a person having ordinary skill in the art, why did it take a period of sixteen years for the device to become available to the surgical field? "The failure of those working in the field to accomplish the results obtained by patentee is good evidence that the patentee's contribution constitutes patentable invention," *Adler Enterprises, Inc.* v. *Carson Pirie Scott & Co.*, 218 F. Supp. 325 (N.D. Ill. 1963), at 329; *Schnell* v. *Allbright-Nell Co.*, 348 F. 2d 444 (7th Cir. 1965).

Plastics, the main element from which the device is manufactured, has long been available to those skilled in the art but was not used for the purpose of providing the negative pressure source obtained from the patented device. *Rex Chainbelt, Inc.* v. *General Kinematics Corp.*, 353 F. 2d 336 (7th Cir. 1965).

The simplicity of design and quality of performance were not obvious to those knowledgeable in the art since there was nothing comparable available to the medical field prior to the patent in issue. The obviousness of which defendant complains is true of many inventions after the patent is observed by one who is familiar with the art.

Doctors Hans von Leden, Charles A. Hubay and Joseph Bouta all testified to the efficiency, convenience and utilitarian characteristics of the "Remover," and its ability to be effective yet permitting the patent complete mobility. These ideal conditions are most desirable and were sought by the medical profession for many years, but were not available until the patented device was invented. We believe the court properly held the patent was not obvious to a person of ordinary skill in the art.

GOOD FAITH DISCLOSURE

Defendant argues that patentees failed to disclose to the Patent Office the state of the prior art. It is contended that the needle for drawing the plastic tubing into the area is the same as in prior art and cites Dolge, defendants' exhibit 30-C. The Dolge cannulating needle illustrates perforations for injection of fluids and a series of "annular inclined ribs" to "secure attachment for the flexible pipe connection." Plaintiffs' needle is of a hollow type, the blunt end of which was provided with "external threads" for screwing into the adjacent similarly threaded tubing and therefore, Dolge was not relevant prior art.

Defendants next contend that no reference was made by plaintiffs to prior art disclosing the "tube having a multi-perforated section adapted to be disposed within a wound." Illustration Figure 7 and the description in the Patent, line 27, states "the tube is provided with apertures 31 having a diameter of approximately forty-thousandths of an inch. . . ." Defendants cite certain defendants' exhibits as evidence of failure to inform the Patent Office of prior use of catheters, describing holes in the end section. Each of the exhibits describe drainage methods, some of which recommend perforating of the inserted end of the tube. Plaintiffs' patent describes the recommended size

and location of the perforations found suitable for its device. We restate that the technique of closed wound suction was generally known and there is no attempted patenting of technique here involved. As to the other references relied on by defendants, we find they or their equivalents were considered by the Patent Office.

Therefore, we find no evidence of lack of candor or good faith on the part of the patentees and sustain the court's findings in this regard.

ANTITRUST VIOLATIONS AND PATENT MISUSE

As to the alleged violations of Section 2 of the Sherman Act, defendant contends the court erred in its findings regarding the relevant market. The court found "the relevant market is not restricted to or limited only to portable surgical evacuators." From the evidence we find that devices in use prior to the "Hemovac" are still being used dependent upon the results sought by the surgeons and the availability of central suction systems, gravity drainage, syringes, Gomco type electric pumps, Wagensteen water pressure systems and evacuated bottle types. We agree with the trial court that the relevant market includes all devices or products used to effect wound drainage. *United States v. DuPont*, 351 U.S. 377, 404 (1956). There consequently is no evidence in the record to sustain defendants' contention that plaintiffs have a monopoly within this relevant market, and conclude no error was committed by the court in its related findings.

In addition, after a thorough reading of the record before us, we find no basis for any violations of either the State of Indiana or United States Antitrust Laws, nor do we find that any of the alleged antitrust violations resulted in patent misuse. We affirm the trial court's Findings of Fact and Conclusions of Law.

Affirmed.

CONSTITUTIONAL PROVISION INVOLVED

Article I, Section 8, Clause 8:

The Congress shall have the power . . . to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

STATUTES INVOLVED

35 U.S.C. § 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

15 U.S.C. § 2. Monopolizing trade a misdemeanor; penalty

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding fifty thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

15 U.S.C. § 15. Suits by persons injured; amount of recovery

Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

SUPREME COURT, U.S.

IN THE

Supreme Court of the United States

October Term, 1970

No. 1165

QUINN, INC. and PAUL H. HAGEMEN,

Petitioners,

vs.

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SUTTON, SUTTON MANUFACTURING COMPANY, INC., and SEBRING MANUFACTURING COMPANY,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1970.

No. 1145

QUEST, INC. AND PAUL E. MAGERS,

Petitioners,

vs.

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., AND ZIMMER MANUFACTURING COMPANY,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

FOREWORD.

The petition should be denied. This is a routine patent case. It presents no unusual question of law. There is no conflict in the decisions of the several Courts of Appeal with respect to the duty of a patent applicant to disclose pertinent known prior art to the Patent Office. Petitioners are in the anamolous position of asserting that it is a patent applicant's duty to call the attention of the Patent Office

to prior art which, as has been held by both the District Court and the Court of Appeals, neither anticipates the claimed invention (35 U. S. C. 102) nor renders it obvious (35 U. S. C. 103), and which is in fact, no more pertinent than references of record before the Patent Examiner.

STATEMENT OF THE CASE

If the facts of this case present any question, it is:

> "Absent any evidence to the contrary, has not a patentee established that his duty of disclosure has been fulfilled when his patent has been adjudged valid by both the District Court and the Court of Appeals, in respect to all prior art which the defendant asserts to exist?"

Certainly, such proposition admits of no issue cognizable by this Court.

A. The Invention.

At least three methods have been known to medical science for effecting wound drainage. These are: (1) gravity drainage, (2) pressure dressings, and (3) negative pressure or suction. The invention of the patent in suit provides a new concept and combination in apparatus for effecting the third and last of these techniques.

Apparatus utilizing the gravity method is disadvantageous in that the position of the patient can adversely affect the efficiency of the drainage. Also, there is no internal force to draw the severed tissues together; and the patient cannot be made ambulatory.

Compression bandages are commonly used, but these are thick and bulky and become soaked with blood and other exudate necessitating frequent changes. As with gravity drainage, compression bandages provide no internal force to pull tissue together.

The third technique for accomplishing wound drainage is frequently referred to as "closed wound suction"; and the more common apparatus which has been used for effecting it includes the electrically powered vacuum pump, or a central suction system having individual outlets in the various hospital rooms. The electric pump has a number of disadvantages including high initial cost, the need for a large number of units and correspondingly large storage space, plus the need for frequent cleaning and maintenance. In addition, the electric powered vacuum pump is noisy, presents an explosion hazard in the presence of oxygen, and restricts the activity of the patient, delaying post-operative exercise, ambulation and rehabilitation. The central suction system has many of the disadvantages of the electric vacuum pump when used for closed wound suction.

In contrast to these prior art arrangements, the apparatus of the patent in suit provides a self-contained, independently operable, evacuator for continuously applying a sustained negative pressure to the wound of a patient, while permitting the patient to be ambulatory and disconnected from any other mechanical suction source. The device may be put into operation merely by the manipulation of the container and the container outlet valve. If a tube connection is found to be faulty, the leaky connection can be fixed and the device reactivated merely by a second compression operation. Likewise, when the container becomes filled, it can be emptied and reactivated in the same manner. The device may be used in a doctor's office or a hospital location where there is no other vacuum equipment available. It may be sterilized and pre-packaged to insure sterility; and it is relatively inexpensive and yet reliable in operation and can be used to apply a continuous and sustained negative pressure to a wound over protracted periods.

Respondents' patent is not restricted to any particular

surgical operation, but may be used for surgical operations generally, including those listed in the patent specification, column 2, beginning at line 15. One such listed application, it should be noted, is in abdominal surgery.[1]

B. Prosecution of the Patent in Suit.

Petitioners quote (page 5) three passages from the file wrapper contents in argument that what is set forth is not true. Such is not the case. A more complete quotation of the first of the passages in question is as follows:

> "While this combination may appear to the Examiner to be met by Blair, it is believed clear that the two structures are completely dissimilar, for different purposes and the patentee obviously was not concerned with the problems of the present invention nor a solution thereof but merely to provide means for quickly drawing liquid into the syringe from which it is to be expelled. The ultimate purpose of the patented structure is to discharge a supply of liquid at a desired point, the filling of the syringe being only incidental to the end use of fluid discharge. It is submitted that the combination of Claim 3 presents a completely new combination which is not in any way suggested or described in the art cited and such combination has provided an entirely new concept in surgical procedure. Clearly, Blair does not disclose the combination of a container for creating a sustained negative pressure in the tubing adapted to be inserted in the human body, the tubing being non-collapsible so that it may be placed in the wound and effect drainage therefrom."

Petitioners ignore the simple fact that the patent applicant had provided a new concept, and a new combination in surgical apparatus which was defined in the claims ulti-

1. Abdominal surgery is what is disclosed in the Calicchio Patent No. 2,593,980 which was made of record by Respondents before the Patent Examiner, and which Petitioners erroneously assert does not relate to surgical procedures.

mately allowed. Respondents never attempted to claim a surgical method in the course of the entire prosecution of their patent application.

C. The Prior Art Considered by the Patent Office.

Petitioners are in manifest error on the topic of what was before the Patent Examiner. The Calicchio Patent No. 2,593,990 (DX 30-H), contrary to assertions by Petitioners, clearly constitutes prior art having reference to closed wound suction techniques. In Calicchio, a perforated tubing segment 2 is situated in an internal operative site and is lead outwardly of the human body through a stab wound 9 disposed laterally of the surgical incision 6, the latter being ultimately closed by sutures 11. The external end of the tubing is connected to a bottle suction apparatus 12-20 by means of an intermediate hose section 21. The apparatus is suggested for use in abdominal surgery. This is clearly prior art considered by the Examiner and showing closed wound suction employing a bottle suction device. The applicants voluntarily called this reference to the attention of the Patent Examiner.

D. The Prior Art Which Petitioners Assert, Is No More Pertinent.

Petitioners urge that two published articles are so significant that they should have been called to the attention of the Patent Office. Both were held by the District Court and by the Court of Appeals neither to anticipate (35 U. S. C. 102) nor to render obvious (35 U. S. C. 103) the applicants' invention. The first of these, Redon (DX 55-L), is no more pertinent than the Calicchio patent which was considered by the Patent Office Examiner. Both disclose closed wound suction apparatus employing a bottle suction device. The Examiner allowed the claims of the patent in suit over the

Calicchio reference; and both the District Court and the Court of Appeals have determined that the claims of the patent in suit are valid over both Calicchio and the publication references. The gist of Respondents' patent is the provision of a portable, self-contained, independently operable, and continuously acting device usable to apply a predictable and maintained negative pressure over protracted periods to effect closed wound suction. Bottle suction, which requires a suction pump to activate it, is not such apparatus.

The other publication which Petitioners assert is so significant is Moloney (DX 55-O). There is no evidence that the syringe mentioned by Moloney was successfully used anywhere, by anyone, for closed wound suction, at any time. It is not now nor never has been in commercial use for closed wound suction. A reading of the Moloney publication (DX 55-O) clearly shows that the passage upon which the Petitioners' rely is a casual remark by the author referring to the proposed or supposed work of prior investigators as reported in other literature. Insofar as Dr. Moloney himself is concerned, he does not even state that he ever used the syringe, or attempted to use it; and each and every one of the illustrations and all of the specific descriptions throughout the Moloney article refer to other kinds of apparatus for effecting closed wound suction, such as the central suction system or a suction pump. This sort of information is certainly less pertinent than the Calicchio patent which the Examiner considered.

REASONS FOR DENYING THE WRIT.

1. There Is No Disagreement Among the Courts on the Duty of a Patent Applicant to Disclose Information to the Patent Office.

The *Precision Instrument Case*[2] is still the law, and the cases are in agreement that a patent applicant is obligated to disclose information known to him that would render his patent invalid. The fact that one reported decision contains the catch phrase "uncompromising duty" and others use a different form of expression does not create a conflict of decision.

Petitioners cite *Wen Products Inc.* v. *Portable Electric Tools, Inc.*, 367 F. 2d 764, as authority for the alleged liberal standard applied in the Seventh Judicial Circuit. In the *Wen Products* Case, the patent was held valid; and this holding was affirmed by the Court of Appeals. The patentee had knowledge of a prior patent, but the courts found that this reference did not disclose the features of the Wen Patent and did not embody the invention of the claims in suit. Obviously, there is no duty to disclose non relevant prior art patents of which there are millions.

Petitioners cited *Admiral Corp. v. Zenith Radio Corp.*, 296 F. 2d 708, for the so-called liberal attitude in the Tenth Judicial Circuit. In this case, the patent also was held valid, and this decision was affirmed by the Court of Appeals. The known patent which was not cited by the applicants was a "significantly different prior patent".

Petitioners cite *United States* v. *Standard Electric Time Co.*, 155 F. Supp. 949, for a purported liberal standard in the First Judicial Circuit. This was an unusual suit by the government for cancellation of a patent, validity was not

2. *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.*, 324 U. S. 806 (1945).

directly in issue; and the Court did not cancel the patent for failure of the applicant to disclose certain scholastic theses of which he had knowledge. Nothing follows from this case contrary to the accepted rule of law.

Petitioners cite *Beckman Instruments, Inc.* v. *Chemtronics, Inc.*, 428 F. 2d 555, for the alleged more stringent requirements imposed in the Fifth Judicial Circuit. However, the Court of Appeals there, *unlike in the three preceding cases, found the patent invalid; and the information which was withheld by the applicant was the basis for the finding of invalidity.* It would seem that this holding is normal and proper since certiorari has recently been denied, L. Ed. 2d (unofficially reported in volume 167 of the United States Patent Quarterly).

In all of the cases cited by the Petitioners, and in all of the decisions of which Respondents are aware, in those cases where the patent or patents were held invalid, the fraud issue was reached and examined; but where the patent was held valid over the known art, i.e. where the known art urged by the defendant was not material, no fraud was found. This is as it should be, because to require an applicant to disclose information which does not affect validity would be to require the production of an unrealistic, useless and unending flood of information on the Patent Office.

2. To Give a Defendant in an Infringement Action a Remedy Under the Anti-Trust Laws Merely for Defending Against the Action Where No Issues of Monopoly Are Involved Would Go Too Far.

The U. S. patent system has served the nation well. Innovation has been stimulated, and small businesses are born and grow. By reason of the product of the patent in suit; untold scores of surgical patients have been made quickly

ambulatory and set on the road to recovery. Truly, the product of the patent in suit has contributed significantly to the medical profession and to mankind.[3]

If the rule urged by Petitioners were to be enacted, few patentees would seek to enforce their rights and risk treble damage liability. To arm an infringer with such a weapon would come close to silencing patent enforcement; and as a result, business would be conducted in greater secrecy with the concommitant temptations to fix prices, divide markets and generally suppress competition.

It is neither necessary nor reasonable to suggest that the anti-trust laws should be activated, in a patent case or in any case, absent the factor of monopoly or the capability of creating a monopoly, which is the only reason for the existence of anti-trust laws and anti-trust litigation.

CONCLUSION.

The patent involved in this case has been held valid by both the District Court and the Court of Appeals. The validity of this patent has been thoroughly tested and reviewed against: (1) all of the prior art cited by the Examiner, (2) all of the prior art known to the patentees, and (3) all of the prior art that Petitioners could locate including that which is now urged before this Court.

The petition should be denied.

Respectfully submitted,

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3. Petitioners in their petition (page 7) do not mention that they were offered a license under the patent in suit (PX 39) and did not give Respondents the courtesy of a reply.